

<b>CONTRACT AWARD</b>		<b>STATE OF ALASKA</b> HQ, STATE EQUIPMENT FLEET (Contracting Authority) 2200 E. 42nd Avenue Anchorage, Alaska 99508 (907-269-0800)		<b>CONTRACT AWARD NUMBER</b>		
				<b>1602398</b>		
<b>ORDERING DEPARTMENT</b>  HEADQUARTERS, STATE EQUIPMENT FLEET 2200 E. 42ND AVENUE ANCHORAGE, ALASKA 99508			<b>COMMODITY CODE</b>		<b>DATE OF CONTRACT</b>	
			NUMBER & PERIOD OF RENEWAL OPTIONS FOUR (4) EACH ONE (1) YEAR RENEWALS		<b>PR NO./DATE ASSIGNED</b>  NONE	
			<b>DATE INITIAL CONTRACT BEGINS</b> 7/1/02		<b>DATE INITIAL CONTRACT ENDS</b> 7/1/03	
<b>CONTRACTOR ADDRESS</b> BOWMAN DISTRIBUTION, INC 105-150 CROWFOOT CRES. NW CALGARY, ALBERTA CANADA T3G 3T2 <b>CONTRACT NAME</b> JAMES PEACE <b>TELEPHONE NUMBER</b> 403.547.4697 PH 403.547.4698 FAX			<b>GS VENDOR CODE:</b>			
			ISSUED IN ACCORDANCE WITH BID # SEF- 808		DATED: 6/19/02	
			PRICE ADJ. REQ. PRIOR TO EACH RENEWAL:		PRICE ADJ AT EACH RENEWAL	
			CPI/PPI BASE INDEX POINTS & MO/YR:		THE % BETWEEN THE CPI FOR FEBRUARY 2001	
			REVIEW DATE: 5/1/03		RENEWALS EXPIRE (MO/YR): 6/30/2007	
			<b>ESTIMATED VALUE OF INITIAL TERM:</b> \$260,000.00		<b>REBID:</b> 1/1/07	
SEND INVOICES IN DUPLICATE TO: <input type="checkbox"/> Ordering Department OR <input checked="" type="checkbox"/> As Specified in Description						
<b>NOTE:</b> This order constitutes a binding commitment between the State and the contractor listed hereon. Unauthorized modification without the expressed prior approval of the contracting authority will result in a financial obligation on the contractor and/or unauthorized State personnel making the change.						
<b>DESCRIPTION</b>						
THIS IS A MANDATORY USE CONTRACT FOR STATE EQUIPMENT FLEET (SEF) SHOPS AS LISTED (FULL SERVICE AREAS) AND OPTIONAL FOR ALL OTHER SEF SHOP LOCATIONS AND STATE AGENCIES PURCHASING FASTENERS OR GENERAL SHOP SUPPLIES. THIS CONTRACT DOES REQUIRE INVENTORY STOCKING SERVICES IN LISTED LOCATIONS. STANDARD INDUSTRY COUNT QUANTITIES WILL BE PURCHASED PER THE MANUFACTURER'S CATALOG OR LIST. THE STATE RESERVES THE RIGHT TO PURCHASE ITEMS OUTSIDE OF THIS CONTRACT IF IT IS IN THE STATE'S BEST INTEREST						
<b>SECTION ONE</b> <b>STANDARD CONTRACT PROVISIONS</b>						
<b>SECTION TWO</b> <b>INSURANCE AND INDEMNITY REQUIREMENTS</b>						
<b>SECTION THREE</b> <b>CONTRACT SUPPLEMENTAL TERMS AND CONDITIONS</b>						
<b>CONTRACTING AUTHORITY NAME &amp; TITLE</b> DIANA L. ROTKIS, ADMIN MANAGER IV				<b>SIGNATURE</b> 		
<b>TELEPHONE NO.:</b> 907-269-0788				<b>FAX NO.:</b> 907-269-0801		
<b>IMPORTANT</b> 1. Contract award number and ordering department name must appear on all invoices and documents relating to this order. 2. The State is registered for tax free transactions under Chapter 32, IRS Code Registration No. 92-601185. Items are for the exclusive use of the State and not for resale.						

## SECTION ONE STANDARD CONTRACT PROVISIONS

### 1.01

#### Assignment

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the Contracting Officer.

### 1.02

#### Disputes

Any dispute arising out of this agreement will be resolved under the laws of the State of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain relief from or remedy in connection with this agreement may be brought only in the Superior Court for the State of Alaska.

### 1.03

#### Severability

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

### 1.04

#### F.O.B. Point

All goods purchased through this contract will be F.O.B. final destination or point of service except for St. Mary's, Iliamna, Unalakleet and any location requesting special airfreight orders on an unscheduled basis. All orders subsequently made under this contract will require the vendor to prepay freight to the final destination and invoice as a separate line item for airfreight charges. A copy of the original shipping invoice must be included to substantiate the charge. Final destination could be anywhere within Alaska. *Freight will always be in the best interest of the State.*

### 1.05

#### Contract Type

This contract is a Fixed Price with Adjustment contract. This contract is for the sole use of the State of Alaska and qualifying governmental entities and political subdivisions based on their purchasing authority.

### 1.06

#### Price Adjustments

Contract prices are to remain firm for one year after award.

Price adjustments, increases or decreases, for subsequent contract years may be made by providing the contracting officer evidence, satisfactory to the State, that all of the following conditions exist:

- The increase is a result of the increased cost at the manufacturer's level and not costs under the contractor's control, and that;
- The increase will not produce a higher profit margin for the contractor than that on the original contract, and that;
- The increase affects only the item(s) that are clearly identified by the contractor.

Some acceptable forms of the evidence referred to above may take the form of a certified invoice from the manufacturer, or an affidavit from an independent professional price-tracking firm that is recognized by the industry as reputable and knowledgeable. The contractor must be able to show the difference between the prior years price and the current difference in price being requested.

Price Decreases: During the period of the contract all price decreases, such as fleet rebates, experienced by the contractor must be passed on to the State. A contractor's failure to strictly and faithfully adhere to this clause will be considered a breach of contract.

Labor hour changes or changes to parts markup must be documented and agreed to by the State. Charges showing increased costs at this level which have not been prior approved will not be paid.

No retroactive price adjustments will be allowed.

The State reserves the right to cancel the contract if the contractor fails to properly perform the duties set out herein

#### **1.06**

##### **Contract Approval**

This Contract does not, by itself, obligate the State. The State's obligation will commence when the Contracting Office issues Purchase Orders or Delivery Orders. The State will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the State or prior to the issue of purchase orders.

#### **1.07**

##### **Proposal as a Part of the Contract**

All of the RFP, successful proposal and any negotiated offers are incorporated into the contract.

#### **1.08**

##### **Insurance Requirements**

The successful offeror must provide proof of workers' compensation insurance prior to contract approval. The successful offeror must secure the insurance coverage required by the State as covered in Attachment A. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

#### **1.09**

##### **Contract Payment**

The Contractor must submit an invoice, in duplicate, to the regional parts managers. No payment will be made until the items are delivered, stocked and accepted by the State.

The State is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

#### **1.10**

##### **Payment Procedures**

Payment for purchases/agreements under \$500,000 for the undisputed purchase of goods or services provided to a State agency, will be made within 30 days of the receipt of a proper billing or delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.

### **1.11**

#### **Contract Administration**

The administration of this contract, including any/all changes, is the responsibility of the Contracting Officer, HQ State Equipment Fleet. The Regional SEF Parts Managers are responsible for contract management in their areas and will report any problems with orders, delivery, stocking, or invoicing to the Contracting Officer for further action.

### **1.12**

#### **Inspection & Modification - Reimbursement for Unacceptable Deliverables**

The contractor is responsible for the completion of all work set out in the contract. Substantial failure of the contractor to perform the contract may cause the State to terminate the contract. In this event, the State may seek associated damages.

### **1.13**

#### **Termination for Default**

If the contracting officer determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the State may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work, and invoke the bond that is held in the contractors name for full performance.

Default, or breach, will be based on the following:

- a. Performance failure, issues and or concerns must be identified in writing with copies sent to both the contract manager for the State and the contract manager for Bowman Distribution within five (5) days of identification.
- b. The party to which the concern and or issue applies (Bowman Distribution) will have a fifteen (15) day window (remedy period) to rectify the issue to the satisfaction of the State contract manager.
- c. Failure to deliver performance includes, but is not limited to, failure to resolve issues presented in writing in regards to meeting delivery and stocking schedules as noted in this contract.
- d. If there are three (3) failures to perform in a calendar month, at any single or multiple locations, and the contractor fails to take immediate (within the fifteen (15) day remedy period) action to resolve the breach, the entire contract will be held in breach.
- e. If there are three (3) successive months where there are three (3) failures to perform in a calendar month, at any single or multiple locations regardless of remedy, the entire contract will be held in breach. The contractor will be given five (5) business days to submit a new management plan to the State contract manager for continued performance. Failure to remedy with a new management plan, or one (1) repeated failure under this paragraph would cause the entire contract to be held in breach.
- f. The contractor will be given a final sixty (60) day notice when the contract is to be terminated due to breach and failure to perform. At that time the bond company issuing the performance bond will be notified.

#### **1.14**

##### **Performance Bond**

The Contractor is to provide a performance bond from a bonding company no later than July 1, 2002. The amount of the performance bond is equal to the estimated amount for the first two years of the contract, but will be required to be posted for the entire term of the contract (up to five years total). The amount will be **\$137,500.00**. If the contractor fails to satisfactorily perform the contract, the bonding company that provided the performance bond will be required to obtain timely performance of the contract. The contractor's failure to provide the performance bond, within the required time, will cause the State to immediately cancel the contract.

#### **1.15**

##### **Contract Changes – Additions or Deletions**

The State reserves the right to add or delete items, agencies or locations as determined to be in the best interest of the State. Added items, agencies or locations will be related to those on the contract and will not represent a significant increase or decrease in size, or scope of work of the contract. Such additions or deletions will be documented via mutual agreements, will be at prices consistent with the original bid price margins and will be evidence by issuance of a written contract change notice from the Contracting Officer.

#### **1.16**

**Contract Invalidation** If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

#### **1.17**

##### **Force Majeure (Impossibility to Perform)**

Neither party to this contract shall be held responsible for delay or default caused by acts of God and/or war that are beyond that party's reasonable control. The State may terminate this contract upon written notice after determining such delay or default will reasonably prevent successful performance of the contract

## **SECTION TWO INSURANCE AND INDEMNITY REQUIREMENTS**

### **Article 1. Indemnification**

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

### **Article 2. Insurance**

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

### SECTION THREE CONTRACT SUPPLEMENTAL TERMS AND CONDITIONS

#### 1.01

#### Delivery Schedule and Delivery Times (days ARO)

<i><b>BOWMAN REPRESENTATIVE</b></i>	<i><b>LOCATION</b></i>	<i><b>CALL SCHEDULE</b></i>	<i><b>CALL SCHEDULE</b></i>	<i><b>TIME</b></i>		<i><b>DELIVERY ARO</b></i>
Larry Jackson	ANCHORAGE HD	Weekly	Tuesday	Shop Hours		10
Larry Jackson	ANCHORAGE LD	Weekly	Tuesday	Shop Hours		10
Larry Jackson	PALMER	Bi-Weekly	Thursday	Shop Hours	1st + 3rd week	10
Larry Jackson	GIRDWOOD	Quarterly		Shop Hours		11
Larry Jackson	CASCADE	Monthly	By Appointment	Shop Hours		15
Larry Jackson	CHULITNA	Monthly	By Appointment	Shop Hours		15
Larry Jackson	WILLOW	Monthly	By Appointment	Shop Hours		14
Larry Jackson	TALKEETNA	Quarterly	By Appointment	Shop Hours		14
New Representative	SOLDOTNA	Weekly	Monday	Shop Hours		10
New Representative	HOMER	Bi-Weekly	Tuesday	Shop Hours	1st + 3rd week	10
New Representative	SILVERTIP	Bi-Weekly	Wednesday	Shop Hours	2nd + 4th week	10
New Representative	SEWARD	Bi-Weekly	Wednesday	Shop Hours		10
Glen Brummond	FAIRBANKS HD	Weekly	Friday	Shop Hours		10
Glen Brummond	FAIRBANKS LD	Weekly	Friday	Shop Hours		10
Glen Brummond	DEADHORSE	Quarterly		Shop Hours		13
Glen Brummond	SAG RIVER	Quarterly		Shop Hours		17
Glen Brummond	CHANDALAR	Quarterly		Shop Hours		17
Glen Brummond	COLDFOOT	Quarterly		Shop Hours		12
Glen Brummond	JIM RIVER	Quarterly		Shop Hours		17
Glen Brummond	SEVEN MILE	Quarterly		Shop Hours		17
Glen Brummond	LIVENGOD	Quarterly		Shop Hours		12
Glen Brummond	MANLEY	Quarterly		Shop Hours		17
Glen Brummond	CENTRAL	Quarterly		Shop Hours		15
Glen Brummond	NENANA	Quarterly		Shop Hours		12
Glen Brummond	HEALY	Quarterly		Shop Hours		12
Glen Brummond	CANTWELL	Quarterly		Shop Hours		12
Daryia Trego	JUNEAU	Bi-Weekly	Friday	1st + 3rd week		10
Daryia Trego	SKAGWAY	6 months		Shop Hours	March +Sept	9
Daryia Trego	HAINES	6 months		Shop Hours	March +Sept	9
Daryia Trego	KETCHIKAN	Quarterly		Shop Hours		9
Daryia Trego	PRINCE OF WALES	6 months		Shop Hours	Apr + Oct	9
Daryia Trego	PETERSBURG	6 months		Shop Hours		9
Larry Jackson	VALDEZ	Bi-Weekly	Friday	Shop Hours	2nd + 4th week	10
Larry Jackson	TAZLINA	Monthly	Wed to Friday	Shop Hours	4th Week	17
Glen Brummond	DELTA	Monthly			1st week	14
Glen Brummond	TOK	Monthly			1st week	15
Glen Brummond	O'BRIEN CREEK	Monthly			1st week	15
Glen Brummond	NORTHWAY	Monthly			1st week	14
Larry Jackson	CORDOVA	Monthly	Tuesday		3rd week	15

<b>BOWMAN REPRESENTATIVE</b>	<b>LOCATION</b>	<b>CALL SCHEDULE</b>	<b>CALL SCHEDULE</b>	<b>TIME</b>		<b>DELIVERY ARO</b>
Larry Jackson	NELCHINA	Monthly	Wed to Friday	Shop Hours	4th Week	17
Larry Jackson	SLANA	Monthly	Wed to Friday	Shop Hours	4th Week	11
Larry Jackson	PAXSON	Monthly	Wed to Friday	Shop Hours	4th Week	14
Larry Jackson	THOMPSON PASS	Monthly	Wed to Friday	Shop Hours	4th Week	17
None	NOME					10-16

1.01.1: **Locations not requiring full service**, or having only monthly or quarterly can order contract items as follows:

1.01.1a: Fax the order to the Bowman Sales representative for immediate order processing. The orders are shipped direct to the location from the Reno Nevada Distribution Center. Orders in by 11:00 AM (MST) are shipped the same day. Bowman Distribution utilizes a barge service from Seattle to forward customer orders to Alaska.

**All orders are processed per the above chart.**

1.01.1b: For those locations with monthly or quarterly service, the Bowman Sales Representative can take the order and have the goods shipped immediately or delay the shipping to coincide with the next scheduled service call. This will be coordinated with the applicable regional parts manager.

1.01.1c: Many locations, including Nome, that do not have full service stocking, will receive quarterly or semi-annual visits by Bowman Sales Representatives who are in the area servicing other customers.

1.01.1d: Bowman Distribution will provide the State of Alaska an e-commerce solution called *enabled MRO™*. Each of the remote non-service sites will be provided a hand held bar code scanner that will capture the bar code information from the labels on the Bowman equipment to create an order. This information can be transferred to a PC and transmitted to Bowman Distribution via the Internet. The second component of this solution is a web-based interface to process and review the orders available to all locations.

1.01.1e: Delivery for items is 6-10 days ARO.

1.01.2: **Website Functionality:** The Barnes Distribution website will enable service locations to:

1.01.2a: Browse an online catalog of stocked items with their prices.

1.01.2b: Search the catalog by keywords, by category drill-down, and by Bowman part number.

1.01.2c: Submit orders using a Poi number or a procurement card (P-card) for payment.

1.01.2d: Access orders that have been generated for them by the Bowman field sales team, with the ability to modify items and quantities before submitting the order for fulfillment.

1.01.2e: Save order lists of high-usage items for quick re-ordering.

1.01.2f: Submit sourcing/quote requests for non-stock items.

1.01.2g: Inquire on order status.

1.01.2h: Access available graphics, MSDS, training materials and technical documentation.

1.01.2i: Access basic purchasing summary reports.

1.0123j: Download order details for use in applicable applications.

## 1.02

### Returns

Surplus items in original Bowman packaging can be returned to our Distribution Center with no restocking charges. For returns and credit notes a return authorization number is created in the field by Bowman personnel. The credit note is automatically generated when the returned goods are received at the appropriate Bowman Distribution Center



### **1.03**

#### **Obsolescence Protection**

Through the use of Bowman's *Top Service program*, a survey will be conducted by Bowman personnel, on a quarterly basis to determine individual surplus items.

Bowman personal will identify all locations where product has not been re-ordered at least twice in the last calendar year. Following that review, we will work with the parts manager to get input and recommendations in terms of the quantity of product to be removed through the obsolescence program. In some cases the decision may be to remove only half of the product and review again in 6 months. These bin locations will be identified with a blue sticker and controls put in place to ensure the product is not re-ordered unless signed off by the parts manager.

Bowman will credit full value for the product removed based on the State's last cost. A non-cash credit on future purchases is issued for the dollar value of product removed as determined to be surplus or obsolete by State of Alaska employees. A 5% discount will be applied against all future purchases until the Top Service balance becomes zero

### **1.03**

#### **Publications**

Current price lists are available by hard copy, CD ROM or on-line.

### **1.04**

#### **Training**

Regional parts personnel will receive required training on e-commerce solution called enabled MRO™ as requested. The start up for remote locations using the enabled MRO™ is July 1, unless otherwise arranged with the regional parts manager.

### **1.05**

#### **Reporting**

The contract managers and administrators will have access to the web site for basic purchasing summary reports. Specialized reporting or detailed reports on consumption, sales by part number, location, etc., are available and will be forwarded by email within 48 hours of request.

A performance review will be conducted every six months to cover the following:

1. Inventory movement turns;
2. Customer satisfaction
3. Bowman Service Specialist performance
4. Other contractual topics requiring review.

**1.06****Bowman Contract Management**

District: James Peace, Regional Sales Manager, Suite 949, 105-150 Crowfoot Cres. NW, Calgary, Alberta, Canada T3G 3T2. Telephone (403) 547-4697, Fax (403) 547-4698. Email [jim.peace@bd-bgi.com](mailto:jim.peace@bd-bgi.com).

The individual sales representative assigned to a location will be the single point of contact for all billing, service discrepancies and ordering. Bowman Corporate processes invoices and credit notes at the request of the Bowman Service Personnel.

The Sales Staff are:

Fairbanks: Glen Brummond, Telephone/Fax (907)-456-1373

Juneau: Daryia Trego, Telephone (907) 790-2556, Fax (907)-790-3200

Anchorage and SouthCentral: Larry Jackson, Telephone (907) 243-5559, Fax (907) 245-2474

Kenai and Peninsula: To Be Added

Remote Locations: Vern Yates, Telephone (907) 243-2971, Fax (907) 243-2975

Bowman Customer Service: 1-800-937-3555

**1.07****State of Alaska Parts Mangers**

NAME	ADDRESS	PHONE	EMAIL
Lawrence Everett	4801 Boniface Parkway Anchorage, Alaska 99507	(907) 269-5936	<a href="mailto:Lawrence_Everett@dot.state.ak.us">Lawrence_Everett@dot.state.ak.us</a>
Ronda Oglesby	46445 Sterling Highway (PO Box 1327) Soldotna, Alaska 99669	(907) 269-5030	<a href="mailto:Ronda_Oglesby@dot.state.ak.us">Ronda_Oglesby@dot.state.ak.us</a>
Frank Jirik	289 Inner Springer Loop Road Palmer, Alaska 99645	(907) 745-2150	<a href="mailto:Frank_Jirik@dot.state.ak.us">Frank_Jirik@dot.state.ak.us</a>
Dana Lynch	2301 Peger Road Fairbanks, Alaska 99709	(907) 451-5256	<a href="mailto:Dana_Lynch@dot.state.ak.us">Dana_Lynch@dot.state.ak.us</a>
Tim Cress	PO Box 507 Valdez, Alaska 99686	(907) 834-1042	<a href="mailto:Tim_Cress@dot.state.ak.us">Tim_Cress@dot.state.ak.us</a>
Peter Hansen	PO Box 1048 Nome, Alaska 99762	(907) 443-3428	<a href="mailto:Peter_Hansen@dot.state.ak.us">Peter_Hansen@dot.state.ak.us</a>
Jess Mossgrove	PO Box 7 Glennallen, Alaska 99588	(907) 822-3881	<a href="mailto:Jess_Mossgrove@dot.state.ak.us">Jess_Mossgrove@dot.state.ak.us</a>
Mike Vuille	6860 Glacier Highway Juneau, Alaska 99801	(907) 465-1790	<a href="mailto:Mike_Vuille@dot.state.ak.us">Mike_Vuille@dot.state.ak.us</a>